

Initiative Name:**Michigan Technology Tri-Corridor****Initiative Description:**

Governor Granholm proposed the creation of the Michigan Technology Tri-Corridor during her campaign as a way to expand and further diversify the Michigan economy. The Michigan Technology Tri-Corridor (TTC) builds upon the success of the Life Sciences Corridor by incorporating advanced automotive technologies and the emerging business sector of homeland security. This allows Michigan to broaden its scope of technology and innovation while continuing to build on our state's already strong industry sectors. These three sectors can leverage grant money and support crossover research. This enables universities, industries, nonprofits and employees to combine resources and capabilities in researching, developing and bringing innovations to market, in the process spinning off cutting edge businesses and high-wage jobs.

The Michigan Life Sciences Corridor (MLSC), now in its fourth year, links biotech-related enterprises in Grand Rapids, Kalamazoo, Holland, Ann Arbor, Lansing and Detroit. The Life Sciences Corridor is designed to foster biotechnology, pharmaceutical and life sciences research. It comprises more than 540 companies across Michigan involved in genetic studies and universities that promote biology studies. Companies in the corridor have combined sales of \$4.8 billion and employ 31,000 workers.

The depletion of the world's petroleum reserves is driving a shift away from gasoline fuels and the internal combustion engine toward cleaner, more efficient fuels such as hydrogen. The automakers, seeing the handwriting on the wall, have already come out with experimental fuel cell cars and buses while in Washington, the President has proposed over \$1.0 billion for research on hydrogen-powered cars and alternative fuels. This is just one significant issue facing the automotive industry today. The Technology Tri-Corridor initiative will help advance research and commercialization of alternative energy technologies and other break-through technology, maintaining the continuity of automotive innovation in Michigan.

The terrorist attack on September 11, 2001 and the federal government's commitment of nearly \$1.5 billion in homeland security funding to states and communities opens the way to the third sector of the Technology Tri-Corridor, Homeland Security. There has already been significant growth in Michigan companies aiming to bolster homeland security, yet there is greater opportunity for Michigan companies to grow and expand while also assisting our country in this important mission. More than \$20 million in MLSC funds have already been awarded for homeland security applications for detection, treatment, prevention and decontamination technologies and methods.

The Michigan Technology Tri-Corridor Initiative will be comprised of:

- **TTC Fund:** A multi-year commitment to assist in the research and commercialization of life sciences, advanced automotive, and homeland security innovations, ideas, and companies. The FY04 funding allocation is \$25.0 million.
- **TTC Business Attraction/Retention Program:** A targeted sales and marketing campaign directed at in-state and out-of-state business executives in these targeted sectors along with site consultants.

Business Significance: Michigan Technology Tri-Corridor

The Michigan Life Sciences Corridor (MLSC), now in its fourth year, has accelerated the growth of the Life Sciences industry in Michigan. Since inception, the state's commitment of \$177 million in tobacco settlement funds has led to creation of 73 companies in the life sciences and 400 jobs, helping to leverage more than \$29 million in public and private investment.

In addition to direct investment and jobs created in Michigan, the Life Sciences Corridor has served as a catalyst in changing the perceptions of Michigan. The Michigan Economic Development Corporation has been using the Life Sciences Corridor and companies within the Corridor as a key component of their national marketing efforts to reposition the image of the state of Michigan. Since this effort began two years ago, we have seen a 21 percent increase in the perceptions of Michigan as a business location amongst life science business executives across the United States. In addition, Michigan and its Life Sciences Corridor program have received significant national attention in earned media as well as national awards for innovation economic development programs.

The introduction of two additional Corridors, Advanced Automotive Technology and Homeland Security will produce similar results in terms of leveraging private and other public funds, create more new technology focused businesses, create more high wage jobs for the citizens of Michigan, and reposition Michigan as The State of Innovation.

Expected Outcomes:

Administration Goals Attained:

- Over 75 new companies created within the three technology sectors (over three fiscal years)
- Over 750 new jobs created within these new companies

Other Benefits and Outcomes:

- Michigan Life Sciences sector ranks in the top five states in the nation for growth of new companies.
- Michigan continues to rank as the top state in the nation for automotive research & development.

Progress to date:

- 43 commercial proposals went through to final interviews, and awards were presented at the June 29th Steering Committee meeting.
- We are completing the analysis of 2003 life sciences data and will have the results of our analysis by September 2004.
- The SBIR Emerging Small Business Fund was officially launched in February and we have already provided 9 companies with commitment letters, which would leverage \$1.1 million in federal funding if successfully awarded.
- To date \$3,750,000 in commitments have been made to MSU, U of M, and CMU which if successful, will leverage nearly \$2 billion in federal research dollars to Michigan.